

News Release

FOR IMMEDIATE RELEASE
July 8, 2004

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Insurers Make Major Investment in Affordable Housing for California

Twenty-five properties include affordable housing for seniors, families, students

SAN FRANCISCO – Impact Community Capital, a community investment consortium of major insurance companies, recently purchased \$40 million in mortgages from the California Community Reinvestment Corporation (CCRC), a leading nonprofit affordable housing lender. These mortgages finance 25 affordable rental housing properties in California, which provide 1,868 units of high-quality housing for individuals, families, and seniors at below-market rents.

Current insurance company investors in Impact are Allstate Insurance Company, Farmers Insurance Companies, Nationwide Mutual Insurance Companies, Pacific Life Insurance Company, SAFECO Insurance, State Farm Insurance Companies, Teachers Insurance and Annuity Association and 21st Century Insurance Company.

Impact has established itself as a leading investor in affordable multifamily properties. This current investment follows two earlier transactions of \$40 million and \$124 million, which together represent 107 properties and more than 8,500 housing units.

“The \$40 million we have received from this sale to Impact will provide a meaningful infusion of capital into the California affordable housing marketplace,” said Mary Kaiser, President of CCRC. “This investment by Impact’s insurance company investors means that CCRC will have additional capital to invest in California’s low-income communities at a time when those communities badly need the capital.”

“This purchase from CCRC demonstrates how partnerships can help nonprofit lenders access the secondary market,” said Dan Sheehy, President and CEO of Impact. “We have demonstrated that together, Impact and CCRC can attract more private sector capital to communities. CCRC is a premier affordable housing loan originator and Impact is pleased to have this opportunity to make scaled investments which can be pooled with other Impact investments to create rated securitization that can access the capital markets.”

Seven of the properties are located in the San Joaquin Valley, including Canyon Hills Senior Apartments in Bakersfield, six are located in the Los Angeles-Orange County-San Diego area including Park Plaza Senior Apartments in North Hollywood offering 203 units of affordable housing for seniors. Five of the properties in the portfolio are located in Northern California, including the 170-unit family housing Meadowview Apartments, four properties are located in the Inland Empire region, two are located in the San Francisco Bay area and one property is located in San Luis Obispo on the Central Coast.

In 2003, Impact entered into a multi-year, \$475 million dollar commitment to provide construction and permanent loan financing for affordable multifamily housing. This commitment, called the Community Impact Loan program, is a first-of-its-kind collaboration between the Bank of America, the largest originator of community development loans in the U.S., and major insurance companies. To date, the Community Impact Loan program has financed \$100 million of loans to properties that support more than 4,000 affordable housing units.

Impact investor companies also have committed an additional \$100 million for investment through the New Markets Tax Credit program to meet community needs such as childcare facilities throughout California.

Impact, formed in 1998, has pioneered the pooling, rating and securitizations of affordable multifamily housing mortgages. Since its first community investments in 2000, Impact has invested more than \$139 million in affordable housing properties in California, providing 6,954 units of housing for low-income families, seniors, students and the disabled.

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